

Reversed 11

"The laborer is worthy of his hire" no less when that laborer is a railroad corporation than when he is an individual. The great profit of the parcel post business to the Government cannot decently or honestly be swollen inordinately by making the railroads carry the parcels for pay that no one pretends to believe is adequate or fair.

—Philadelphia, Pa., Press, December 28, 1914

Should a Postal Surplus Be Claimed While Railroads Are Underpaid ?

The Postmaster General's report shows a surplus of \$3,600,000 for the last fiscal year, but the railroads lost more than that sum through underpayment for carrying the parcel post.

Congress can correct this situation, so far as the railroads are concerned, by providing for :

1. Weighing the mails at least once a year and paying the railroads for the annual increase in the tonnage carried.
2. Relieving the railroads from carrying the mails to and from post offices along the lines, or else paying them fairly for this extra service.
3. Paying the railroads at just rates for the traveling post offices in more than 4100 combination cars, which have been equipped for the exclusive use of the Post Office Department.

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Public opinion throughout the country, as reflected in the daily press, is practically unanimous in urging that Congress now grant the railroads that fair payment for carrying the mails which has been so long withheld. Some of the recent comments of the newspapers on this subject are reprinted, in the following pages, by the Committee on Railway Mail Pay.

RALPH PETERS, *Chairman.*

New York, January 12, 1915

Mr. Burleson says that the Post Office Department now has a surplus. The railroads of this country, at least, will find it easy to believe him.

—Philadelphia, Pa., Public Ledger, December 17, 1914

The "Pound of Flesh"

*New York, N. Y., Commercial,
December 15, 1914*

Postmaster General Burleson is entitled to credit for making progress, but when he claims that the books of his Department show a surplus for the second consecutive year of his administration, he does no more than prove that the books are wrong and that such a system of bookkeeping would disrupt any business man or private corporation.

Added to these old bookkeeping sins we now have the existing robbery of the railroads of the country. One of the chief features of this report is the enormous growth of the parcel post service, and it appears to have been run at a profit. But how has this profit been earned? The railroads answer sadly that it has come out of their treasuries. They have been compelled to carry all this great increase in mail matter without adequate compensation.

The Post Office Department has exacted its pound of flesh by making the railroads carry the additional mail matter for practically the money which they agreed to accept for carrying the mails before the parcel post service was established.

The railroads also lost the revenues they formerly got from the express companies for carrying small parcels that now go by post; so they are underpaid for what they do and lose what they formerly received at the same time.

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A "Square Deal" Now in Order

Philadelphia, Pa., Record, December 22, 1914

The Interstate Commerce Commission in its first rate decision declared that the railroads should make every department of their business contribute proportionately to their earnings, and counsel for the Government in their argument of the case granted that the transportation of the mails by the railroads was "unremunerative."

The Postmaster General has advanced the proposition that such transportation being distinctly a public service, the railroads should not expect to make a profit out of it; but there is no obligation, legal or moral, that the railroads should conduct this branch of their business at a tremendous annual loss—a loss which is steadily increasing, moreover, through the growth in volume of parcel post matter.

The reform proposed in the postal appropriations bill may not provide adequate relief; but amendments will be in order so that it will be possible for the railroads to get a square deal.

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No Cause for Boasting

Baltimore, Md., Sun, December 15, 1914

Mr. Burleson himself admits that the Government has not been paying the railroads a fair rate for carrying the mails, and recommends a change in the basis of compensation, and it is conceded on all sides also that they have been imposed upon in connection with the additional duties required of them under the parcel post system.

Whether Mr. Burleson's surplus would disappear if he paid properly for this work we do not undertake to say, but it would certainly be very considerably reduced.

A surplus that is obtained by making other people lose money is not the kind of a surplus to brag of, and we hope that Mr. Burleson will get very strongly behind measures which will remove this injustice, whether it brings him into debt or not.

It is just as dishonest for the Government to cheat the railroads as to cheat an individual.

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What the Taxpayers Want

*Norfolk, Va., Virginian-Pilot,
December 18, 1914*

Postmaster General Burleson, in his annual report, declares that, "for the first time since Benjamin Franklin organized the postal service under the Continental Congress, the Post Office Department has been securely placed upon a self-sustaining basis."

Taken at its face value, this statement is both gratifying and encouraging; but is it altogether certain that it is entitled to be so accepted?

Has the result effected been brought about with due regard for, or at the expense of justice to, the railroads in the matter of proper remuneration for carrying the mails, which have largely and steadily increased in bulk since the inauguration of the parcel post?

If the former, then Postmaster General Burleson has every right to point to

the accomplishment with just pride, and the public to view it with general gratification; if the latter, then exactly the contrary is the case.

Leaving altogether out of account the question of justice and fair dealing, which should be sufficiently compelling in itself, and considering the matter from the standpoint of economy alone, the taxpayers of the country are obviously immeasurably more concerned that transportation facilities shall be kept up to that degree of adequacy necessary to the proper promotion of progress and prosperity than that a few million dollars a year should be saved to the public treasury.

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History Repeating Itself

*New Haven, Conn., Journal-Courier,
December 15, 1914*

It is not easy to read good naturedly the part of the [Post Office Department] report which states specifically that the Department shows a surplus of \$3,600,000 for the fiscal year.

When we came to examine the equally jubilant report made of a surplus account in the Post Office Department by former Postmaster General Hitchcock, we found it a fanciful entry. It is the same with this report of General Burleson's.

Just exactly what the figures would be if the Post Office Department paid the railroads of the country a fair price for the services given in carrying the mails, we do not know. We do know, however, that in the case of the New Haven system the loss to that company netted \$600,000.

Most people will reject the claim that the Post Office Department is a model, that it is self-sustaining and that it renders a maximum of service at a minimum cost. On the contrary, it is wasteful, and in many cases inefficient. It does not pay its bills. In the more important cities it has expensive offices rent free. The railroads contend that in many cases they carry the mails at a loss.

—*New York, N. Y., World, December 15, 1914*

A PREDICTION THAT CAME TRUE

The volume of parcel post matter is increasing without a cent of extra pay for the roads. A Department surplus gained by such means will be a poor advertisement indeed.

—*Brockton, Mass., Times, October 9, 1914*

It does not take a very large knowledge of post office statistics to imagine what the report would have been had these items, as they affect all of the railroads of the country, been included in the report. We should have had gloom in place of joy.

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“The Railway’s Christmas”

New York, N. Y., Times, December 27, 1914

The Pennsylvania Railway handled 5,500,000 Christmas postal parcels in this city and 3,500,000 in Philadelphia. Conditions were similar throughout the country, the postal parcel business being heavier by half than a year ago.

This is altogether welcome and admirable, so far as it reflects conditions among the senders and receivers. To the Post Office it is a welcome addition to the surplus. But to the railways it is a dubious dividend, something to be entered to debit rather than credit, for work certainly done and certainly not paid for.

The Post Office revenues have increased 16 per cent. since the establishment of the postal parcel business. The railways’ mail pay has increased 2 per cent. The difference is profit to the Post Office. The annual report says so.

It seems that everybody who received a postal parcel which the Government had not paid the railways for carrying ought to feel a little mean. It seems that those whose income or wages through the railways was reduced must be not a little mad.

Whether such a policy of the Government toward the railways is conceived in the President’s “spirit of candor and justice” toward business enterprise may be left to anybody with a conscience, regardless of his personal profit or loss.

Weigh the Mails Annually

Waynesboro, Pa., Herald, December 17, 1914

Postmaster General Burleson in his annual report exults in the fact that the Department shows a surplus for last year of more than three and one-half millions. This being the case, it would be only just that the railroads should have a more adequate allowance for the vast increase of mail matter they are compelled to haul under their contracts.

The people of this country are not entitled to nor do they wish to get anything for nothing. They can afford to pay for any service rendered them.

Let the mails be weighed annually and the contracts renewed on that basis.

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A Plea for Justice

Lynn, Mass., News, December 15, 1914

The United States Government has added thousands of tons of mail matter to its service without compensating the roads one cent for the increased service.

This is not even common fairness such as would obtain between individuals doing business with each other, and the Government, in its power, ought not to be guilty of doing an unfair thing, even against a railroad.

That added compensation for the roads has the endorsement of eminent authority is shown by a recent utterance of ex-President Taft, during whose administration the parcel post was initiated.

He says that “there is one thing in connection with the parcel post which ought not to meet the approval of anybody, and that is that we have not given to the railroads appropriate compensation for the

additional burden they have to carry by reason of the parcel post, but after a time Congress will see its duty and make reparation in this regard, I hope."

The words of the ex-President have significance. He is a fair man and wants the railroads of the country treated fairly.

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"Unpaid Mail Bills"

Watertown, N. Y., Standard, December 23, 1914

Although the railroads are hauling parcel post mail at a loss of \$8,000,000 a year, the Administration has asked Congress to compel the railroads to carry a part of that matter at rates lower than shippers pay for ordinary freight.

It takes some nerve for a Postmaster General to report a profit in the administration of his Department when he pays half rates for transportation.

The Government is great on the morals of private enterprise. What do the people think of the Administration's business ethics?

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"Candor and Justice"

*New York, N. Y., Wall Street Journal,
December 15, 1914*

It is the simplest thing in the world to make a splendid exhibit of saving, for the shipper or for the Government, by comparing parcel post with express rates, so long as the railroads are paid for their part in the transaction not what the service is worth, but what Congress and the Post Office Department choose to pay, which may even be nothing at all.

If individuals were in a position to buy what they need at their own prices, the cost of living would come tumbling down, like Lucifer. "from morn till noon, from noon till dewy eve." But to those who produce the means of keeping the human machine going it would seem, in the light of the new day, that both candor and justice were off the market.

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A Clear Case

Johnstown, Pa., Democrat, December 16, 1914

If the railroads have demonstrated one fact it is that they are underpaid for handling the parcel post business.

The Post Office Department shows a surplus for the fiscal year. If this surplus has been acquired at the expense of the railroads it has been dishonestly acquired. For the Government to rob a railroad is not a bit more reputable than for a railroad to rob the Government.

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Efficiency First

*Boston, Mass., Christian Science Monitor,
December 17, 1914*

Morally, the United States Government cannot afford to pay the railroads less than they are entitled to for the carriage of mails, simply because it has the power to do so.

We regard it as a mistaken belief, common in some quarters, that the keeping down of expenses is the first and great desideratum in the conduct of this branch of the public service.

THE INJUSTICE OF RAILWAY MAIL PAY

The wrong done is flagrant. What is almost worse is that the Government is undertaking to call all large business to the bar under accusation, and to expose, correct and punish its alleged wrong doing and unfair dealing; yet this very Government comes forward with unclean hands and refuses to purge itself.

—*New York, N. Y., Financial Chronicle, November 28, 1914*

We must remember, however, that the financial showing of the Department would not have been so good if under the existing contracts the railroads were adequately compensated for their transportation of the bulky merchandise admitted to the parcel post.

—Syracuse, N. Y., *Herald*, December 15, 1914

It appears to us that the most important point to keep in view is the Department's general efficiency, and it goes without saying that its general efficiency is very largely dependent upon the quality of service it may justly claim at the hands of the railway companies.

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How the Record Was Made

Newburyport, Mass., News, December 16, 1914

The Postmaster General now declares that there is in his Department a surplus of more than three million and a half dollars.

One is inclined to ask how this marvelous record is made. And no sooner is the question asked, than the eye lights upon the receipts credited to the parcel post, and then again upon the amounts paid to the railroads for the carrying of this and other mail matter. Very possibly the explanation of our new riches is found in these two items.

There is more sympathy with railroads than there used to be. We all know that it has been necessary, actually necessary, for them to raise passenger and freight rates. Is the Government imposing upon them an undue burden which should be lightened?

We would like to have the postal service self-sustaining. But we are equally anxious that the Government shall deal fairly with the roads.

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Where the "Square Deal" Failed

Springfield, Mass., Republican,
December 14, 1914

The Postmaster General reports a surplus of about \$3,600,000 for the last

fiscal year in his Department, but people who understand the postal service's real cost to the Government smile when surpluses are mentioned.

There would still be a deficit but for parcel post, which has brought with it an enormous business, for carrying which the railroads are underpaid. The Postmaster General does not deny they are underpaid.

One thing not altogether creditable to the Department is its obvious failure to give the railroads a square deal.

It seems too much like politicians seeking to crowd the railroad companies for the ultimate benefit of the politicians who hold the offices and mismanage a vast enterprise.

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No Excuse for Underpay

Williamsport, Pa., Gazette and Bulletin,
December 14, 1914

With the showing of which the Postmaster General now boasts in his annual report, Congress will now have no excuse to longer ignore the appeal of the railroads for fair play.

The square deal is required in the transactions of citizens or corporations doing business with the Government, and for that reason the Government ought to deal squarely with the railroads in the matter of transporting parcel post matter.

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A Protest that is Fully Justified

Brooklyn, N. Y., Standard-Union,
December 14, 1914

There has been a great protest since this division of the postal service [the parcel post] was instituted because it imposed a

In shipping 200 tons of gold, worth \$99,000,000, by parcel post from Philadelphia to New York "without cost for railroad transportation," the Government has effected one of those "economies of operation" which are the congenial boasts of Cabinet officials.

—*New York, N. Y., World, January 5, 1915*

new and wholly unexpected burden upon the roads by requiring them to carry a large increase in mail matter for no additional compensation.

It is a wrong which should not be permitted to exist a day longer than necessary.

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Entitled to Fair Play

Nashville, Tenn., American, December 26, 1914

The railroads are entitled to fair play. It is strongly to the public interest that they suffer no injury. The Government is able to pay just rates for transporting the mails and the railroads are entitled to fair compensation for the service they perform in carrying them.

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Taking Unfair Advantage

Des Moines, Iowa, Capital, December 29, 1914

The Government has been fully aware that when the mails were weighed the last time the parcel post had not been introduced, but the Government appears to be willing to make money off the railroads by taking advantage of an old contract.

If this work were done by an individual it would be called "crookedness." Yet the Post Office Department has the nerve to boast that the Department is on a paying basis!

We do not believe any Government is justified in treating any corporation or corporations the way the Post Office De-

partment has and is treating the railroads.

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"A False Showing of Profit"

Peekskill, N. Y., Evening News, Dec. 31, 1914

We do not believe that the American people stand for injustice or unjustice to anybody, and one thing they would like to see is the establishment of the parcel post system on a fair business basis.

So far the Post Office Department has been able to make a false showing of profit largely because the railroads are not paid for carrying the extra weight of parcels involved in the parcel post.

Attempts are being made in Congress to readjust railway mail pay, but they appear to be dictated by a spirit of petty politics rather than fairness. The latest effort has been made through a rider on the Post Office Appropriation bill, which is not the place for legislation of that kind. Riders on appropriation bills ought not to be allowed.

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An Imposition of Years

Wilmington, Del., Every Evening, December 29, 1914

There is reason to believe Congress will not longer countenance the surprising imposition that has been carried on for years in respect of carriage of mails by the railroads.

Our Government cannot afford to be dishonest, especially in respect of a business from which it derives profit. No railroad should be compelled to carry the mails at a financial loss.

Is a department of Government worthy of congratulation that derives a large part of its income by compelling the railroads to carry parcels at a rate below the actual cost of transportation?

—*Philadelphia, Pa., Evening Ledger, December 15, 1914*

Press Briefs on the Postal Surplus and Railway Mail Pay

If the parcel post had not forced unpaid service from the railroads, the balance of which Mr. Burleson boasts would not be possible.—*Warren, Pa., Mirror, December 15, 1914.*

Is it fair to a third of the people in the nation who own the railroads to tax them in order that a good showing may be made by Postmaster General Burleson?—*Philadelphia, Pa., Public Ledger, December 19, 1914.*

It is just as wrong that the Government should rob the railroads as that the railroads should rob the Government.—*Dayton, Ohio, Evening News, December 23, 1914.*

It was by "skinning" the railroads that the Post Office Department made its extra fine showing for last year.—*Valdosta, Ga., Times, December 17, 1914.*

There is no obligation, legal or moral, that the railroads should conduct this branch of their business at a tremendous annual loss.—*Philadelphia, Pa., Record, December 22, 1914.*

The "self-supporting" Post Office Department can sponge and does sponge on the railroads.—*New York, N. Y., Press, December 17, 1914.*

Mr. Burleson himself admits that the Government has not been paying the railroads a fair rate for carrying the mails.—*Baltimore, Md., Sun, December 15, 1914.*

A surplus created by the income from the parcel post, for carrying which the railroads are paid less than adequate rates, is hardly a thing for this nation to be proud of.—*Cumberland, Md., Daily News, December 17, 1914.*

It is immeasurably more important that the Government should itself set the example of doing the railroads equity than that a deficit in the administration of a Governmental department should be converted into a surplus.—*Norfolk, Va., Virginian-Pilot, December 18, 1914.*

The people of this country are not entitled to nor do they wish to get anything for nothing.—*Waynesboro, Pa., Herald, December 17, 1914.*

If this surplus has been acquired at the expense of the railroads it has been dishonestly acquired.—*Johnstown, Pa., Democrat, December 16, 1914.*

Despite the illusory surplus about which Mr. Burleson boasts, and which really consists of money filched from the railroad companies, its activities are carried on at a loss.—*Philadelphia, Pa., Inquirer, December 15, 1914.*

It takes some nerve for a Postmaster General to report a profit in the administration of his Department when he pays half rates for transportation.—*Watertown, N. Y., Standard, December 23, 1914.*

The express companies were still operating at a loss, in competition with the parcel post, in August, for which reports are just made public. The trouble is that they have to pay the railroads a reasonable sum for service.

—*Philadelphia, Pa., Evening Bulletin, December 29, 1914*